

Lowered FY2022 guidance

Administer lowered its guidance for net sales and profitability in 2022. The mid-term potential remains but with the near-term uncertainty we lower our TP to EUR 4.0 (4.7), BUY-rating intact.

Net sales and profitability seen to be weaker than expected

Administer issued a profit warning on Friday, Aug 12th. The company now expects 2022 net sales of EUR 47-49m (prev. >EUR 51m) and an EBITDA-margin of 5-7% (prev. >8%). The lowering of the guidance is based upon the general economic uncertainty and the impact on customer activity. Higher than anticipated overlapping costs for the old and new system stemming from Administer's subsidiary Adner's system reform have also impacted profitability negatively during the current year. In addition, net sales from system consulting and expert services in connection with EmCe's client projects have been slightly lower than the company had expected.

Organic growth and transactional volumes a concern

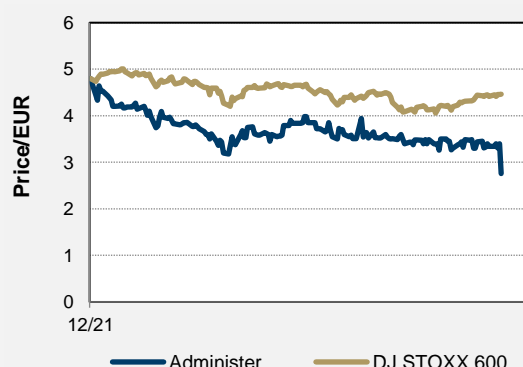
We have for now adjusted our estimates towards the mid-range of the new guidance and our 2022 EBITDA estimate is as such down by near 40%. In our view the lower customer activity due to the general economy is of more concern, as costs relating to the system reform should ease at some point and we hypothesize that the lower project-based revenue may at least partially be due to higher sick-leaves that have been seen in Finland during H1 due to the pandemic. Administer reports its H1/2022 results on August 31st. Inorganic growth plans have progressed according to communicated plans, with four acquisitions so far during 2022, and our interest in the results will be primarily oriented towards the noted factors affecting growth and the development of organic growth ambitions.

BUY-rating with a target price of EUR 4.0 (4.7)

Administer's 2022 financials were known to be sub-par in 2022 due to previous challenges but the guidance downgrade brings an unfortunate dent in the growth and profitability trajectory. The company's mid-term potential remains, but with the noted challenges we lower our TP to EUR 4.0 (4.7), BUY-rating intact.

Rating

+ BUY



Share price, EUR (Last trading day's closing price) 2.76

Target price, EUR 4.0

Latest change in recommendation 04-Mar-22

Latest report on company 01-Apr-22

Research paid by issuer: YES

No. of shares outstanding, '000's 14,329

No. of shares fully diluted, '000's 14,329

Market cap, EURm 40

Free float, % -

Exchange rate 0.000

Reuters code ADMIN.HE

Bloomberg code ADMIN FH

Average daily volume, EURm 0.0

Next interim report 31-Aug-22

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+ BUY □ HOLD - SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	43.7	2.9	6.6%	2.2	0.20	0.0	0.1	1.9	0.0	0.00
2021	41.9	0.1	0.1%	-10.1	-0.13	-33.2	1.2	959.9	-16.9	0.00
2022E	48.1	0.1	0.2%	1.9	-0.01	-270.9	0.6	246.5	4.8	0.00
2023E	63.4	6.0	9.4%	6.6	0.29	9.5	0.4	3.7	16.7	0.13
2024E	77.6	12.0	15.5%	11.4	0.62	4.4	0.2	1.1	29.0	0.24
Market cap, EURm	40			Gearing 2022E, %	-33.0			CAGR EPS 2021-24, %		0.0
Net debt 2022E, EURm	-11			Price/book 2022E	1.2			CAGR sales 2021-24, %		22.8
Enterprise value, EURm	29			Dividend yield 2022E, %	0.0			ROE 2022E, %		-0.5
Total assets 2022E, EURm	47			Tax rate 2022E, %	-1.9			ROCE 2022E, %		0.3
Goodwill 2022E, EURm	21			Equity ratio 2022E, %	68.1			PEG, P/E 22/CAGR		0.0

All the important disclosures can be found on the last pages of this report.

Administer	2020	H1/21	H2/21	2021	H1/22E	H2/22E	2022E	2023E	2024E
Net sales	43.7	19.8	22.1	41.9	21.9	26.2	48.1	63.4	77.6
<i>sales growth %</i>	-3.5%	-11.2%	3.5%	-4.0%	10.4%	18.7%	14.8%	31.8%	22.4%
Other operating income	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Materials and services	-5.4	-2.3	-3.3	-5.6	-2.7	-3.5	-6.2	-7.0	-7.7
Personnel expenses	-27.9	-14.1	-14.1	-28.2	-15.8	-17.3	-33.1	-40.6	-47.3
Other expenses	-6.1	-2.8	-3.2	-6.0	-3.0	-3.0	-6.0	-7.0	-7.4
Results of affiliates	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.2
EBITDA	4.4	0.6	1.7	2.3	0.5	2.5	3.0	9.1	15.5
<i>EBITDA-margin</i>	<i>10.2%</i>	<i>3.0%</i>	<i>7.5%</i>	<i>5.4%</i>	<i>2.2%</i>	<i>9.5%</i>	<i>6.2%</i>	<i>14.3%</i>	<i>20.0%</i>
Depreciation	-0.6	-0.4	-0.4	-0.7	-0.4	-0.4	-0.8	-0.9	-1.1
EBITA	3.9	0.2	1.3	1.5	0.1	2.1	2.2	8.2	14.4
<i>EBITA-margin</i>	<i>8.8%</i>	<i>1.2%</i>	<i>5.7%</i>	<i>3.6%</i>	<i>0.4%</i>	<i>7.9%</i>	<i>4.5%</i>	<i>12.9%</i>	<i>18.5%</i>
Goodwill amortization	-1.0	-0.5	-1.0	-1.5	-1.0	-1.1	-2.1	-2.2	-2.4
EBIT	2.9	-0.3	0.3	0.1	-0.9	1.0	0.1	6.0	12.0
<i>EBIT-margin</i>	<i>6.6%</i>	<i>-1.3%</i>	<i>1.4%</i>	<i>0.1%</i>	<i>-4.2%</i>	<i>3.9%</i>	<i>0.2%</i>	<i>9.4%</i>	<i>15.5%</i>

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.76 PV of Free Cash Flow	103 Long-term growth, %	1.5 Risk-free interest rate, %
DCF share value	26.54 PV of Horizon value	269 WACC, %	5.8 Market risk premium, %
Share price potential, %	861.6 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	30.1 Marketable securities	13 Minimum WACC, %	5.3 Equity beta coefficient
Minimum value	23.7 Debt - dividend	-4 Maximum WACC, %	6.3 Target debt ratio, %
Horizon value, %	72.3 Value of stock	380 Nr of shares, Mn	14.3 Effective tax rate, %

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	42	48	63	78	85	94	99	104	109	114	116	118
<i>Sales growth, %</i>	-4.0	14.8	31.8	22.4	10.0	10.0	5.0	5.0	5.0	5.0	1.5	1.5
Operating income (EBIT)	0	0	6	12	15	17	18	19	20	21	21	21
<i>Operating income margin, %</i>	0.1	0.2	9.4	15.5	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
+ Depreciation+amort.	2	3	3	4	4	4	5	5	5	5	6	
EBITDA	2	3	9	15	19	21	22	24	25	26	26	
- Paid taxes	0	0	-2	-3	-4	-4	-4	-4	-5	-5	-5	
- Change in NWC	2	1	1	1	1	1	0	0	0	1	0	
<i>NWC / Sales, %</i>	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-12	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	29.3	3.0	3.2	2.9	2.4	2.4	2.1	2.1	2.1	2.1	1.9	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	-8	2	7	12	14	16	17	17	18	19	20	457
= Discounted FCFF		2	6	10	12	12	12	12	12	12	11	269
= DFCF min WACC		2	6	10	12	13	13	13	12	12	12	318
= DFCF max WACC		2	6	10	12	12	12	12	12	12	11	231

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	0.0	19.8	0.0	22.1	41.9	0.0	21.9	0.0	26.2	48.1	63.4	77.6
EBITDA	0.0	0.6	0.0	1.6	2.3	0.0	0.5	0.0	2.5	3.0	9.1	15.5
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>3.0</i>	<i>0.0</i>	<i>7.3</i>	<i>5.4</i>	<i>0.0</i>	<i>2.4</i>	<i>0.0</i>	<i>9.5</i>	<i>6.2</i>	<i>14.3</i>	<i>20.0</i>
EBIT	0.0	-0.3	0.0	0.3	0.1	0.0	-0.9	0.0	1.0	0.1	6.0	12.0
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-4.2</i>	<i>0.0</i>	<i>3.9</i>	<i>0.2</i>	<i>9.4</i>	<i>15.5</i>
Net financial items	0.0	-0.1	0.0	-1.7	-1.8	0.0	-0.1	0.0	-0.1	-0.3	-0.2	-0.2
Pre-tax profit	0.0	-0.4	0.0	-1.4	-1.7	0.0	-1.1	0.0	0.9	-0.2	5.7	11.7
Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	-0.2	0.0	-1.6	-2.8
<i>Tax rate (%)</i>	<i>0.0</i>	<i>32.5</i>	<i>0.0</i>	<i>2.9</i>	<i>-9.6</i>	<i>0.0</i>	<i>605.7</i>	<i>0.0</i>	<i>9.1</i>	<i>-1.9</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.0	-0.5	0.0	-1.3	-1.8	0.0	-0.8	0.0	0.7	-0.1	4.1	8.9
EPS	0.00	-0.04	0.00	-0.09	-0.13	0.00	-0.06	0.00	0.05	-0.01	0.29	0.62
EPS adjusted (diluted no. of shares)	0.00	-0.04	0.00	-0.09	-0.13	0.00	-0.06	0.00	0.05	-0.01	0.29	0.62
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.24
SALES, EURm												
Administer	0.0	19.8	0.0	22.1	41.9	0.0	21.9	0.0	26.2	48.1	63.4	77.6
Total	0.0	19.8	0.0	22.1	41.9	0.0	21.9	0.0	26.2	48.1	63.4	77.6
SALES GROWTH, Y/Y %												
Administer	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-49.4</i>	<i>-4.0</i>	<i>0.0</i>	<i>10.6</i>	<i>0.0</i>	<i>18.5</i>	<i>14.8</i>	<i>31.8</i>	<i>22.4</i>
Total	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-49.4</i>	<i>-4.0</i>	<i>0.0</i>	<i>10.6</i>	<i>0.0</i>	<i>18.5</i>	<i>14.8</i>	<i>31.8</i>	<i>22.4</i>
EBIT, EURm												
Administer	0.0	-0.3	0.0	0.3	0.1	0.0	-0.9	0.0	1.0	0.1	6.0	12.0
Total	0.0	-0.3	0.0	0.3	0.1	0.0	-0.9	0.0	1.0	0.1	6.0	12.0
EBIT margin, %												
Administer	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-4.2</i>	<i>0.0</i>	<i>3.9</i>	<i>0.2</i>	<i>9.4</i>	<i>15.5</i>
Total	<i>0.0</i>	<i>-1.3</i>	<i>0.0</i>	<i>1.4</i>	<i>0.1</i>	<i>0.0</i>	<i>-4.2</i>	<i>0.0</i>	<i>3.9</i>	<i>0.2</i>	<i>9.4</i>	<i>15.5</i>

Commercial Services & Supplies/Finland, August 15, 2022
Company update

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	20.2	37.0	45.3	43.7	41.9	48.1	63.4	77.6
<i>Sales growth (%)</i>	<i>0.0</i>	<i>82.7</i>	<i>22.5</i>	<i>-3.5</i>	<i>-4.0</i>	<i>14.8</i>	<i>31.8</i>	<i>22.4</i>
EBITDA	1.4	1.9	3.0	4.4	2.3	3.0	9.1	15.5
<i>EBITDA margin (%)</i>	<i>6.8</i>	<i>5.1</i>	<i>6.5</i>	<i>10.2</i>	<i>5.4</i>	<i>6.2</i>	<i>14.3</i>	<i>20.0</i>
Depreciation	-0.3	-1.1	-1.1	-0.6	-0.7	-0.8	-0.9	-1.1
EBITA	1.0	0.8	1.9	3.8	1.5	2.2	8.2	14.4
Goodwill amortization / writedown	-0.2	-0.3	-1.0	-1.0	-1.5	-2.1	-2.2	-2.4
EBIT	0.8	0.5	0.9	2.9	0.1	0.1	6.0	12.0
<i>EBIT margin (%)</i>	<i>3.9</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>9.4</i>	<i>15.5</i>
Reported EBIT	0.8	0.5	0.9	2.9	0.1	0.1	6.0	12.0
<i>EBIT margin (reported) (%)</i>	<i>3.9</i>	<i>1.3</i>	<i>1.9</i>	<i>6.6</i>	<i>0.1</i>	<i>0.2</i>	<i>9.4</i>	<i>15.5</i>
Net financials	0.0	-0.2	-0.3	-0.3	-1.8	-0.3	-0.2	-0.2
Pre-tax profit	0.8	0.2	0.6	2.6	-1.7	-0.2	5.7	11.7
Taxes	-0.2	-0.2	-0.1	-0.6	0.0	0.0	-1.6	-2.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.5	0.0	0.4	2.0	-1.8	-0.1	4.1	8.9
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	2	3	3	3	4	5	6	7
Goodwill	2	13	15	14	23	21	19	17
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0
Receivables	3	8	8	7	7	8	10	12
Liquid funds	3	1	1	1	13	14	20	30
Total assets	10	25	26	25	47	47	55	66
Liabilities								
Shareholder's equity	2	7	7	9	32	32	36	43
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	2	10	8	6	4	3	3	3
Non-interest bearing current liabilities	5	9	10	9	11	12	16	19
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	10	25	26	25	47	47	55	66
CASH FLOW, EURm								
+ EBITDA	1	2	3	4	2	3	9	15
- Net financial items	0	0	0	0	-2	0	0	0
- Taxes	0	0	0	-1	0	0	-2	-3
- Increase in Net Working Capital	2	-2	1	0	2	1	1	1
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	3	0	4	4	2	3	9	14
- Capex	-5	-13	-4	-1	-12	-1	-2	-2
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-1	-13	0	2	-10	2	7	11
+/- New issues/buybacks	1	5	0	0	25	0	0	0
- Paid dividend	0	0	0	0	0	0	0	-2
+/- Other	3	7	-1	-2	-2	-1	0	0
Change in cash	3	-1	-1	0	12	0	7	10

Commercial Services & Supplies/Finland, August 15, 2022
Company update

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	0	0	0	60	40	40	40
Net debt (excl. convertibles)	8	8	6	-9	-11	-17	-27
Enterprise value	8	8	6	51	29	22	13
Sales	37	45	44	42	48	63	78
EBITDA	2	3	4	2	3	9	15
EBIT	0	1	3	0	0	6	12
Pre-tax	0	1	3	-2	0	6	12
Earnings	0	0	2	-2	0	4	9
Equity book value (excl. minorities)	7	7	9	32	32	36	43
Valuation multiples							
EV/sales	0.2	0.2	0.1	1.2	0.6	0.4	0.2
EV/EBITDA	4.4	2.6	1.2	22.6	9.7	2.5	0.8
EV/EBITA	10.5	4.1	1.4	33.8	13.2	2.7	0.9
EV/EBIT	17.5	8.7	1.9	959.9	246.5	3.7	1.1
EV/OCF	-84.9	1.9	1.6	23.3	8.8	2.6	0.9
EV/FCFF	-0.6	11.2	2.2	-6.1	13.3	3.3	1.1
P/FCFE	0.0	0.0	0.0	-5.9	21.0	6.0	3.5
P/E	0.0	0.0	0.0	-33.2	-270.9	9.5	4.4
P/B	0.0	0.0	0.0	1.8	1.2	1.1	0.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	15.6	4.4	2.0
Target EV/EBIT	0.0	0.0	0.0	0.0	397.7	6.7	2.5
Target EV/FCF	0.0	0.0	0.0	0.0	24.9	6.1	2.7
Target P/B	0.0	0.0	0.0	0.0	1.8	1.6	1.3
Target P/E	0.0	0.0	0.0	0.0	-392.6	13.8	6.4
Per share measures							
Number of shares	9,480	9,620	9,620	14,194	14,329	14,329	14,329
Number of shares (diluted)	9,480	9,620	9,620	14,194	14,329	14,329	14,329
EPS	0.00	0.04	0.20	-0.13	-0.01	0.29	0.62
Operating cash flow per share	-0.01	0.42	0.37	0.15	0.23	0.60	0.96
Free cash flow per share	-1.40	0.05	0.23	-0.71	0.13	0.46	0.80
Book value per share	0.71	0.78	0.99	2.28	2.25	2.53	3.02
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.13	0.24
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	45.9	38.1
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	4.8	8.6
FCF yield, %	0.0	0.0	0.0	-16.9	4.8	16.7	29.0
Efficiency measures							
ROE	-0.1	6.1	23.1	-8.6	-0.5	12.1	22.4
ROCE	4.6	5.4	18.2	0.2	0.3	16.0	28.0
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	21.6	17.0	15.3	15.9	15.9	15.9	15.9
Non-interest bearing liabilities as % of sales	23.0	21.5	20.0	25.1	25.1	25.1	25.1
NWC/sales, %	-1.5	-4.5	-4.8	-9.2	-9.2	-9.2	-9.2
Operative CAPEX/sales, %	35.7	7.8	3.1	29.3	3.0	3.2	2.9
CAPEX/sales (incl. acquisitions), %	35.7	7.8	3.1	29.3	3.0	3.2	2.9
FCFF/EBITDA	-7.1	0.2	0.6	-3.7	0.7	0.7	0.8
Net debt/EBITDA, book-weighted	4.4	2.6	1.2	-3.9	-3.5	-1.9	-1.7
Debt/equity, market-weighted	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Equity ratio, book-weighted	26.9	29.2	38.4	68.5	68.1	65.8	65.9
Gearing, %	121.9	101.8	58.3	-27.2	-33.0	-47.4	-61.7

Commercial Services & Supplies/Finland, August 15, 2022
Company update

COMPANY DESCRIPTION: Administer is one of the leading providers of financial management and HR & payroll services in Finland. Founded in 1985, the company has grown rapidly in recent years through acquisitions and today employs around 600 employees. In-house developed technology has played an important role and the company is looking to further leverage its know-how to develop the industry. The company completed its IPO in December 2021.

INVESTMENT CASE: Administer has set out rather ambitious targets, seeking to achieve revenue of EUR 84m and an EBITDA-margin of 24% in 2024. The company has yet to show the required growth and profitability figures to achieve the targets, but consolidation in the fragmented and non-cyclical industry provides ample opportunities for growth. Profitability improvement relies upon synergies from acquisitions as well as internal operational efficiency, further to be improved by pick-up in growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Aho Peter	6,880,980	18.992	48.0%
Ilmarinen Mutual Pension Insurance Company	1,250,000	3.450	8.7%
Sijoitus Oy MC Invest Ab	1,205,508	3.327	8.4%
Varma Mutual Pension Insurance Company	337,093	0.930	2.4%
Elo Mutual Pension Insurance Company	308,642	0.852	2.2%
Oy Fincorp Ab	291,298	0.804	2.0%
Herranen Kimmo	231,700	0.639	1.6%
Emceläiset Oy	162,840	0.449	1.1%
Husu Päivi Marianna	156,243	0.431	1.1%
Rausanne Oy	125,885	0.347	0.9%
Ten largest	10,950,189	30.223	76%
Residual	3,379,225	9.327	24%
Total	14,329,414	39.549	100%

EARNINGS CALENDAR

August 31, 2022

Q2 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Peter Aho

Itämerenkatu 5, FIN-00180 Helsinki

CFO: Johan Idman

Tel:

IR:

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

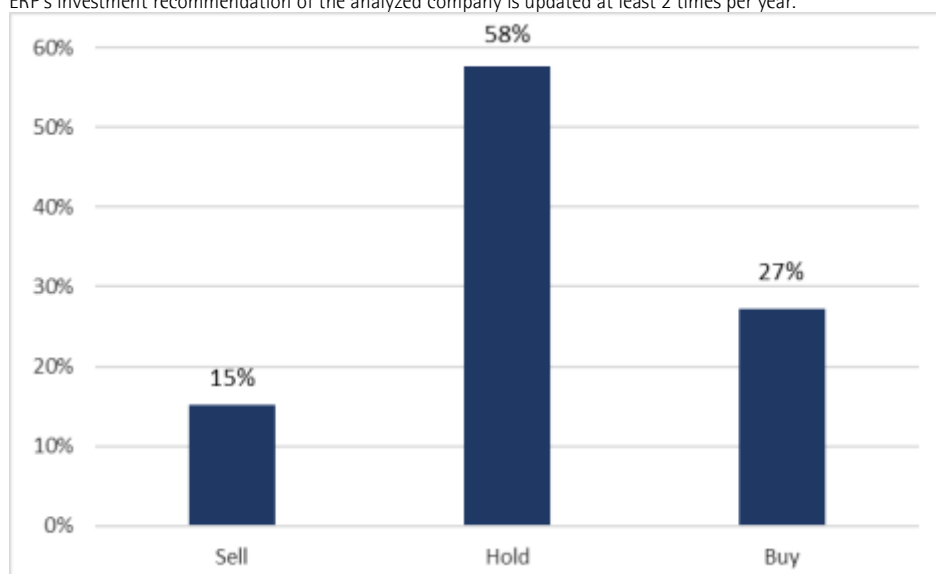
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Salokivi

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